



Pennsylvania Association of Realtors® Welcome Home Survey, 4th Quarter 2018

Welcome Home is a consumer survey project sponsored by the Pennsylvania Association of Realtors®. The surveys, performed by Keystone Analytics®, are conducted on a quarterly basis and provide information on a number of consumer buying trends, such as financing products used in the transaction, reasons behind the home purchase and challenges faced with the buying process. Find more information at WelcomeHomePA.org or on Twitter at [#WelcomeHomePA](https://twitter.com/WelcomeHomePA).

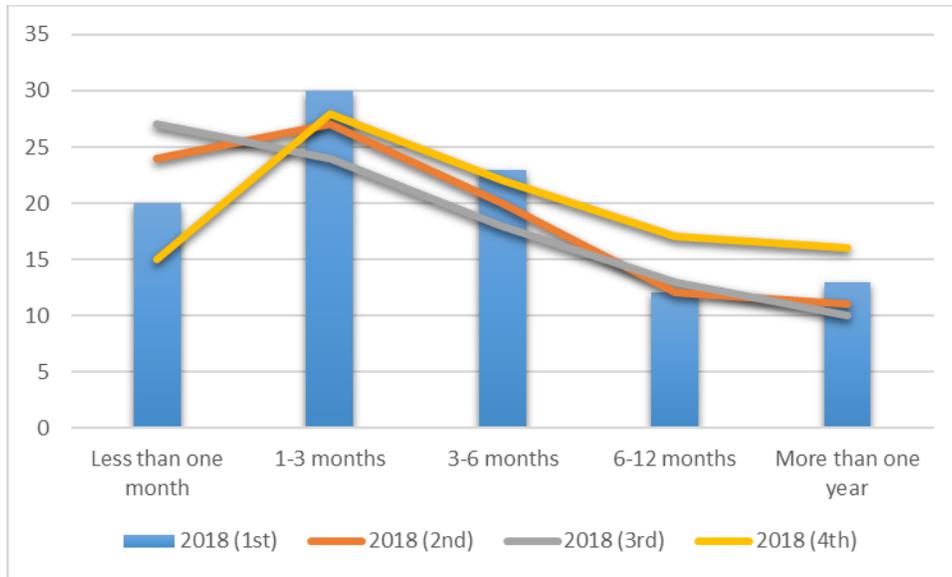
Key Findings

A substantial spike in homebuyers reported using a 30-year mortgage to finance their home purchase, compared to the first three quarters of 2018. This on its own would not be remarkable as 30-year mortgages are far and away the most common financing instrument in residential home purchases and have been in every Welcome Home survey. But we saw the exact same spike in reported use of the 30-year mortgage in the fourth quarter of 2017 as well.

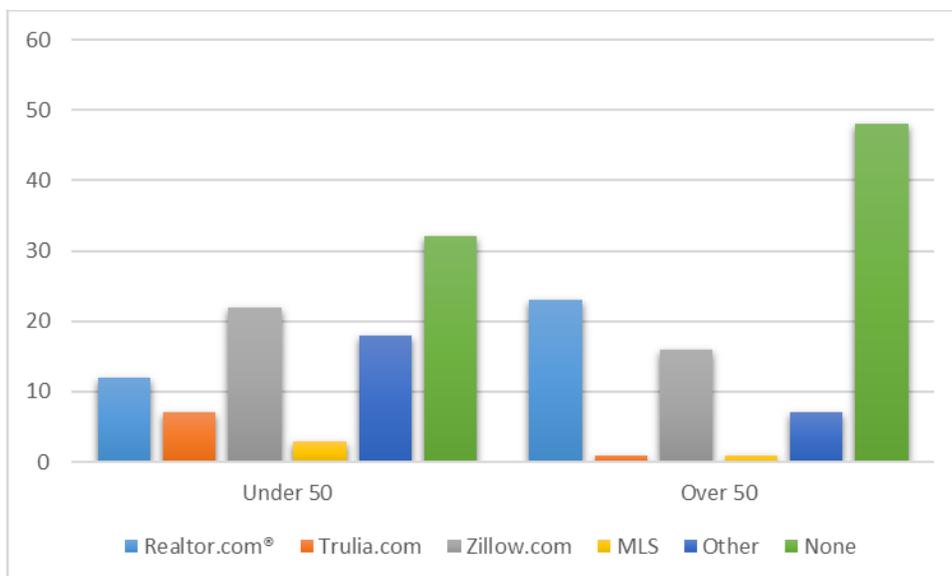
In 2017, new homebuyers who took out a 30-year mortgage climbed from 38 percent in the third quarter to 48 percent in the fourth quarter. In 2018, the share of new homebuyers using a 30-year mortgage climbed from 38 percent in the third quarter to 50 percent in the fourth quarter. Again, the fact that this financing instrument tops the charts is not remarkable. What is remarkable is to see the same spike in responses occur in consecutive calendar years at the same time of year.



A slight dip in homebuyers reported purchasing their home in less than 3 months of searching, compared to surveys conducted earlier this year. Forty-three percent of homebuyers this quarter reported taking less than 3 months to go from starting a home search to closing on a home. In our last three Welcome Home surveys, nearly 50 percent of buyers reported their home search period lasted less than 3 months, and more than 20 percent said they purchased their home in less than one month. We will keep an eye on this figure in our next Welcome Home survey to see if this was merely a temporary dip in buyers' sense of urgency, or a sign that the frantic pace of the real estate market is starting to relax even just a bit.



The share of homebuyers who reported using a real estate listing website to aid in their home search grew to more than 60 percent. The biggest driver of this trend is the boost in buyers over the age of 50 who are using websites like Realtor®.com and Zillow.com to find a home. Most notably, more than 50 percent of buyers between the ages of 50 and 64 reported using a website to aid in their home search, where in previous surveys far less buyers over age 50 would recall using these websites.



A significant share of buyers continue to report that finding the right home for them is their most stressful piece of the home purchase process. In the fourth quarter, 14 percent of buyers reported that deciding on the right home is their biggest stressor and several buyers noted that stress was driven by an underlying sense that they had to move quickly and close a sale as soon as they found a home that was right for them.



Methodology

The survey was fielded by Keystone Analytics® on the evenings of November 13-14, 2018, using telephone interviews conducted by live operators. Survey respondents are adult residents of Pennsylvania identified by purchased consumer data as having purchased a home in the commonwealth of Pennsylvania in the last 12 months. Respondents were asked to confirm this before being invited to complete the survey over the phone. A total of 300 respondents completed the survey over those evenings.

Survey responses were weighted based on the geographic distribution of new home sales in Pennsylvania over the last 12 months, and grouped based on the layout of Pennsylvania’s demographic marketing areas. Results have a margin of error of +/- 5.7 percent within a confidence interval of 95 percent.